

The gross public debt of the Dominion grew from £38,830,350 at 31st March, 1891, to £70,938,534 at 31st March, 1909—an increase of £32,108,184, equal to 82 per cent.; but of this amount no less a sum than £21,090,070 was spent in directly reproductive objects, such as advances to settlers, advances to workers, land for settlements, loans to local bodies, State coal-mines, Native land purchases, &c.

What does the other side of the balance-sheet show?

|  |   |             |
|--|---|-------------|
| Capital value of land publicly and privately owned in 1909 | £ | 270,537,296 |
| Capital value of land publicly and privately owned in 1891 | £ | 122,225,029 |

An increase in the value of land alone, irrespective of many other sources of property, stocks, &c. .... £148,312,267

Equal to over 121 per cent.

The increase in the value of railways and rolling-stock for the period 1891–1909 was £13,844,058—from £15,208,374 to £29,052,432—equal to over 91 per cent. The figures may therefore be stated as follows:—

|   |   |             |
|---|---|-------------|
| Increase on opened railways and equipment from 1891 to 1909   | £ | 13,844,058  |
| Increased capital supplied to advances to settlers, land for settlements, State coal-mines, loans to local bodies, Native-land purchases, &c. (all directly reproductive) | £ | 21,090,070  |
| Total   | £ | £34,934,128 |

The surplus, after paying full interest and all expenses of the advances to settlers (now over £70,000 per annum), State coal-mines (now nearly £20,000 per annum), land for settlements (£40,000), and Native-land purchase (£37,419), the bulk of which is being capitalised, is more than sufficient to make up for any deficiency on the railways, so that the total amount of £34,934,128 may be considered to be reproductive.

The increase in the public debt during the same period (1891–1909) was £32,108,184. This shows that the whole of the increase in the public debt has been utilised in directly reproductive objects, producing a profit in addition, and that the expenditure on unproductive objects, such as roads, bridges, mines, public buildings, tourist, health, &c., have been provided out of revenue; but as the effect of the bulk of this expenditure is to open up the country and promote its development and progress, thereby greatly increasing its wealth and earning-power, it may also be taken to be to a great extent reproductive in the return of revenue from increased taxes paid.

The profits earned on these State reproductive investments now reach nearly £200,000 after payment of interest and all expenses, and are increasing rapidly from year to year. In addition to this, very beneficial results accrue in the reduction of expenses and cost of living to the general public. It was not intended that these investments should reduce rates to what would be a ruinous competition with private traders and investors. The object was to maintain a fair and reasonable average in order that the public may benefit by obtaining money, coal, and land at reasonable rates, which may be said to have now reached the minimum.

Notwithstanding this, the profits continue to steadily increase, and I anticipate that the time is not far distant when these profit-earning institutions will be the means of providing a large annual sum which, in return for the great services rendered the State in establishing them, can be fairly regarded as a contribution towards the increased charges for interest upon general loans—that is, of course, after full interest and expenses have first been paid on the sums invested.